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NATIONAL INTELLIGENCE DAILY CABLE

Friday 3 March 1978 CG NIDC 78/051C

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National Intelligence Daily Cable for Friday, 3 March 1978.

The NID Cable is for the purpose of informing senior US officials.

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RHODESIA: Internal Settlement

25X1 [] Rhodesian Prime Minister Smith and black nationalist leaders inside the country are scheduled to sign an agreement today on the structure of a transition government that will lead to majority rule on 31 December. The signing would add to the pressure already being felt by opponents of an internal settlement.

25X1 [] According to preliminary reports from Salisbury, the transition government is to be headed by an executive council composed of Smith and the three black leaders--Bishop Muzorewa, Ndabaningi Sithole, and Chief Chirau. The chairmanship of this body will rotate among the four leaders. A council of ministers composed of an equal number of blacks and whites will be in charge of day-to-day administration of the country while the executive council prepares for a national election.

25X1 [] Smith and the nationalists apparently reached the agreement a day or so ago. Yesterday Smith won approval from Rhodesia's white-dominated parliament and the black leaders obtained it from their respective executive councils.

25X1 [] The agreement does not spell an end to problems in the negotiations. Preparing for the national election and dealing with economic and military questions will offer substantial challenges.

25X1 [] An agreement on the transition government will nonetheless be a major gain for Smith and the internal black leaders, all of whom need to show momentum toward a settlement. Patriotic Front leaders Joshua Nkomo and Robert Mugabe and the frontline presidents, who have continually denounced the negotiations in Salisbury, will believe they now have less time to search for alternatives than they did before the signing.

25X1 [] The presidents still view the Anglo-American plan as the best way to achieve a settlement, but they have been unable so far to convince the Patriotic Front to accept it. Nkomo and Mugabe undoubtedly will reject the new agreement and will attempt to escalate the fighting. They will probably also review their position toward the Anglo-American plan, perhaps in concert with the frontline presidents.

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[] The agreement will present a dilemma for the frontline presidents at the UN. African states opposed to an internal settlement were anxious to get a Security Council resolution of condemnation on the record before Smith's efforts proceeded further. They now may be reluctant to push ahead and seek what could be a divisive debate over the agreement reached in Salisbury.

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[] Smith and the black leaders are likely to make an early effort to test the prospects for international recognition once their agreement is signed. Bishop Muzorewa, for example, is leaving for London this weekend; we expect him to make a strong pitch to Foreign Secretary Owen, to other British politicians, and to the media to recognize the settlement, or at least to withhold final judgment until the agreement has had a chance to prove itself. []

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ISRAEL: Rising Labor Unrest

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[] *The Israeli Government faces rising labor unrest that could place additional strains on the ruling coalition. Prime Minister Begin probably will soon be forced to devote more attention to domestic problems in order to avoid a further erosion in the unity and prestige of his government.*

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[] Since assuming office in June, the Begin government has enjoyed relative calm at home, thanks largely to the disarray within the opposition Labor Party and the public's preoccupation with peace negotiations. Domestic tranquility, however, is near an end with the increasing signs of labor unrest.

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[] A merchant seamen's strike is now in its sixth week, and this week bus drivers and airport maintenance workers staged work stoppages. Other key public service and professional

groups are threatening to take similar strike action when new contract talks open in April. Angered by recent price increases, they are demanding huge pay raises to offset inflation that is expected to exceed 40 percent this year.

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[] Leaders of the Histadrut labor federation, although nominally allied with the opposition Labor Party, hope to avert a confrontation with the government. They fear that a test of strength would provoke legislation aimed at curtailing the Histadrut's power and would expose weaknesses in their ability to control the increasingly independent member unions. As a result, the Histadrut executive has proposed a relatively moderate package for wage increases on an order of 10 to 15 percent in an effort to bridge the gap between union militants and the government.

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[] Finance Minister Ehrlich, the head of the Liberal faction of Likud, seems bent on rejecting large wage increases that would undercut the economic reform program he launched last fall. He has shown little interest so far in a compromise on this point and has even let it be known privately that the government is prepared for a protracted struggle with the unions.

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[] It is questionable, however, that the government has the political will to adhere to a rigid line in the face of threats of serious dislocations in the economy. It has already weakened its position by granting large pay increases to senior government officials, including cabinet ministers and Knesset members. Begin, moreover, is likely to come under increasing pressure from members of his Herut faction of Likud to accommodate the interests of the faction's largely working-class constituents.

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[] Herut trade union leaders and members of parliament have sharply criticized Ehrlich's economic policies and have even criticized Begin for neglecting their concerns. Begin thus faces the dilemma of reconciling the widely divergent interests of the Liberal and Herut factions without undermining the credibility of the government's economic policies.

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[] The Labor Party, which is just beginning to show signs of revival, seems to sense the government's vulnerability on social and economic issues. Should the cabinet mismanage

negotiations with the labor unions, Labor Party leaders will almost certainly try to capitalize on popular dissatisfaction to put the Begin government on the defensive.

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ZAIRE-ANGOLA: Easing Relations

A new exchange of public messages between Angolan President Neto and Zairian President Mobutu may lead to a resumption of talks on easing strained relations. Neither leader, however, appears ready to alter policies unacceptable to the other.

Last week Neto sent Mobutu a "Dear Brother" letter similar to messages that culminated in an inconclusive meeting in January between their representatives in Brazzaville, Congo. Neto's letter pledged that Angola would not start hostilities and reaffirmed a desire for an early solution to bilateral problems. Mobutu responded in kind, although he added that border problems fostered by Angola prejudiced their relations.

The exchange may at least stem the escalation of propaganda between the two countries. Each side blamed the other in January for the lack of progress toward normalization then, and both armies took defensive measures along the common border.

The two sides are likely to meet again before long, but it remains doubtful that they can make accommodations that would produce good relations.

Mobutu, if his survival depended on it, could do what Neto wants him to--turn his back on the Angolan factions that continue to deny the legitimacy of the Soviet- and Cuban-backed Neto government. He would be reluctant, however, to antagonize the anti-Communist governments that support both Zaire and the principal Angolan insurgent group. He fears, moreover, that the subversion of Zaire would only be hastened if the Angolan insurgents collapse.

Similarly, Neto could try to expel or disarm the Katangans, who continue occasional forays into Zaire's Shaba Region from their sanctuary in Angola. To do so, however, would

be to give up his principal means of influencing Mobutu. In Neto's eyes, the Katangans' presence helps keep Mobutu cautious toward Angola.

25X1 [] Mobutu and Neto are unlikely to yield these means of putting pressure on each other. About all that can be expected from new talks is a tacit agreement--which probably would be ignored by insurgents in both countries--to relax tensions along the border and tone down propaganda exchanges. []

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USSR: Kulakov's Speeches and Books

25X1 [] *Competition among the would-be successors to Soviet President Brezhnev continues to intensify with the publication in Pravda of a lengthy, favorable review of Politburo member Kulakov's collected speeches and articles. The Pravda review is the latest in a series of indications that Kulakov has a leg up on other leaders in their early 60s who are considered contenders in the looming political succession, notably Brezhnev's favorite, Politburo member Shcherbitskiy.*

25X1 [] The review dealt primarily with Kulakov's assigned area of agricultural policy, but it suggested that Kulakov's solutions to problems were applicable to broader Soviet problems. This suggestion is reminiscent of Kulakov's self-characterization in his speech at the Kremlin ceremony honoring his 60th birthday last month, when he explained the scope of his experience in terms extending beyond the agricultural responsibilities that Brezhnev had stressed in his congratulatory speech.

25X1 [] The publication of Kulakov's book places him in the elite company of Brezhnev, Premier Kosygin, and Politburo members Suslov and Kirilenko among Soviet leaders so honored. A book by Shcherbitskiy, published last fall, ranged widely over general aspects of political leadership, and a new book by him on such matters has just been released in the Ukraine, but this kind of publication does not appear to carry the same prestige as a collection of speeches and articles.

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25X1 [] Similarly, the prominence accorded Kulakov on his birthday contrasted sharply with the modest treatment given Shcherbitskiy, who also was 60 last month but has yet to have the event commemorated at a Kremlin awards ceremony. []

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BRIEF

Senegal

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[] President Senghor won another five-year term last Sunday in Senegal's first multiparty presidential and parliamentary election. His centrist Socialist Party captured 82 percent of the vote, losing only 17 of 100 seats in the national assembly to the rightwing Senegalese Democratic Party. The Marxist-Leninist party failed to win a seat.

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[] The 71-year-old Senghor, who has been President since independence in 1960, is a major leader among moderate French-speaking West African states and has actively sought peaceful solutions to African problems. For the past two years, he has nurtured a three-party democratic system; by subjecting his own party to political competition, Senghor hopes he can build an organization strong enough to outlive his leadership and to guide the transition to his eventual successor.

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[] Speculation is widespread that Senghor will resign midway through his new term so that his constitutional successor, 43-year-old Prime Minister Abdou Diouf, can become established as the ruling party's favorite candidate in the 1983 election. Diouf, Prime Minister since 1970, lacks Senghor's charisma, and his support--particularly in the Army--is questionable. Other senior members of Senghor's party may challenge Diouf in the bid for the presidency. []

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